



STATE OF ARIZONA

JANET NAPOLITANO  
GOVERNOR

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July 7, 2008

The Honorable Timothy S. Bee  
President  
Arizona State Senate  
1700 W. Washington  
Phoenix, Arizona 85007

Re: Senate Bill 1452; Homeowners' Associations; Foreclosures; Voting Rights

Dear President Bee,

Today I vetoed Senate Bill 1452, a bill that would have dramatically changed the voting rights of homeowners' association members in certain circumstances.

Members of homeowners' associations generally select their boards of directors and decide crucial decisions by majority vote. Senate Bill 1452 turns that well accepted tenet of representative governance on its head, giving the minority the majority power and stripping the majority of equal voting rights.

Under Senate Bill 1452, the minority members of a homeowners' association would be given control of the board of directors if the majority membership is owned by a party who acquired the lots in a settlement for unpaid property tax from the original master planned community developer. Despite owning the majority of the lots in the planned community, the replacement owner to the original master planned community developer would only be allowed to vote on the election of less than half of the members of the board of directors of the homeowners' association.

The members of any homeowners' association can opt-in to such uneven voting measures if they vote to amend their bylaws accordingly. Unilaterally imposing this change of a fundamental governance rule by statewide statute, however, is unnecessary and unwise.

For these and other reasons, I have vetoed Senate Bill 1452.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Janet Napolitano".

Janet Napolitano  
Governor

JN:LK

cc: The Honorable Jim Weiers  
The Honorable Ronald Gould